



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

August 8, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**TEN-YEAR LEASE FOR THE PUBLIC LIBRARY
18722 CLARKDALE AVENUE, ARTESIA (ARTESIA LIBRARY)
(FOURTH DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Mayor to sign the attached ten-year Lease with the City of Artesia, a municipal corporation (Lessor) for 5,151 gross square feet of ground floor space within Artesia Civic Center located at 18722 Clarkdale Avenue, Artesia for the Public Library at the initial annual rental rate of \$39,204. The initial rental rate is subject to annual adjustment based on the Consumer Price Index not to exceed five percent (5%) annually.
2. Find that this Lease is exempt from the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061(b)(3) of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since August 1963, the County has leased the subject premises for use by the County Public Library for operation of the Artesia Library. The previous lease expired on June 17, 2005, and the County continued its tenancy on a holdover basis pending the negotiations of a new lease. The Public Library has requested the lease be renewed. Approval of the proposed Lease will provide the Public Library with the right to continue its operations from the subject premises and to serve the City of Artesia.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with quality services that are both beneficial and responsive (Goal 1). The County's provision of library services to the local constituents from a centrally located facility in the civic center of the City of Artesia is consistent with this Goal.

FISCAL IMPACT/FINANCING

The lease term and the new rental rate will be effective upon your Board's approval of the attached Lease. The table below shows a brief comparison between the most recent and the proposed lease.

Artesia Library 18722 Clarkdale Avenue	Previous Lease	Proposed Lease	Difference
Premised Area	5,151 square feet		Same
Annual Rent	\$38,444	\$39,204	+ \$760
Annual Cost per Square Foot	\$7.46	\$7.61	+ \$0.15
Term	10 years, from 6/18/95 to 6/17/05	10 years, commencing upon Board approval	New 10 years
Rental Adjustments	Bi-annually, based on the CPI with a cap of 5%, non-cumulative	Annually, based on the CPI with a cap of 5%, cumulative	Higher adjustments

The City of Artesia, recognizing the benefits of library services to its constituency, increased the rent by only two percent (2%) from its previous level, or \$760 annually.

Sufficient funding for the initial rent and the operational expenses are available in the Public Library's operating budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed lease of the 5,151 square feet of library space, and 30 on-site parking spaces for an additional ten-year term contains the following terms:

- A monthly rental rate of \$3,267 on a modified full service gross basis, net janitorial; whereby Lessor is responsible for all maintenance, repairs, utilities and taxes associated with the premises occupied by the County, except for the janitorial.

- The rental rate is subject to annual adjustment pursuant to the Consumer Price Index (CPI) with a cap of five percent (5%) annually. The adjustments are to be calculated based on the previous month's rent and are cumulative.
- A termination provision exercisable by the County upon 60 days written notice to the City in the event the premises are withdrawn from the Library system.
- In anticipation of a planned construction of a new civic center for the City of Artesia, the City reserved the right to terminate the lease upon 90 days written notice to the County. The City indicated its initial intention is to provide a new library facility in the new civic center.
- Although the program has been approved for 12,000 square feet of space, the current facility comprising 5,151 square feet of space is the only space available to the Public Library by the City of Artesia. Additionally, the Public Library does not have the funding required to equip a larger facility.

The Chief Administrative Office (CAO) Real Estate Division staff surveyed the immediate area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could suitably accommodate this requirement. Based upon said survey, staff has established that the annual rental rates for similar space range between \$17.40 and \$21.00 per square foot on a full service gross basis, net janitorial. Thus, the annual rental rate of \$7.61 for the proposed lease represents a rate below the market ranges for the area.

Pursuant to Section 3.58.070 (B)(2) of County Code, the proposed ten-year lease renewal does not require review by the Real Estate Management Commission as the transaction is between two government entities.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

In accordance with your Board's policy on the housing of any County offices or activities, the Public Library concurs with the recommendation to approve this Lease, which is required to continue operation of the Artesia Library. The Lease has been reviewed and approved as to form by County Counsel.

The Honorable Board of Supervisors
August 8, 2006
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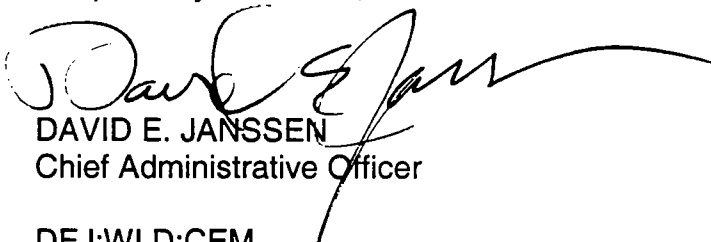
NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

This Office has made an initial study of environmental factors and has concluded that this project is exempt from CEQA as specified in Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061(b) (3) of the State CEQA Guidelines.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two originals of the executed Lease and the adopted, stamped Board letter, and two certified copies of the Minute Order to the CAO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing, plus one copy of the executed lease and adopted Board letter to the Public Library.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:WLD:CEM
MS:hd

Attachment

c: County Counsel
Auditor-Controller
Public Library

ArtesiaLibraryBdLtr

Asset Management Principles Compliance Form¹

1.	Occupancy		Yes	No	N/A
	A	Does lease consolidate administrative functions? ²			X
	B	Does lease co-locate with other functions to better serve clients? ²			X
	C	Does this lease centralize business support functions? ²			X
	D	Does this lease meet the guideline of 200 sq. ft of space per person? ² This facility is a Public Library			X
2.	Capital				
	A	Is it a substantial net County cost (NCC) program?	X		
	B	Is this a long term County program?	X		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		X	
	D	If no, are there any suitable County-owned facilities available?		X	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			X
	F	Is Building Description Report attached as Attachment B?		X	
	G	Was build-to-suit or capital project considered?		X	
3.	Portfolio Management				
	A	Did department utilize CAO Space Request Evaluation (SRE)?	X		
	B	Was the space need justified?	X		
	C	If a renewal lease, was co-location with other County departments considered?		X	
	D	Why was this program not co-located?			X
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. ____ The Program is being co-located.			
	E	Is lease a full service lease? ²	X		
	F	Has growth projection been considered in space request?	X		
	G	Has the Dept. of Public Works completed seismic review/approval?			X
	¹ As approved by the Board of Supervisors 11/17/98				

²If not, why not?

**LEASE
FOR ARTESIA LIBRARY
18722 CLARKDALE AVENUE, ARTESIA**

THIS LEASE (this “**Agreement**”) is entered into as of May 8, 2006, by and between THE CITY OF ARTESIA, a municipal corporation (“**Lessor**”), and the COUNTY OF LOS ANGELES, a body politic and corporate (“**Lessee**”).

1. DESCRIPTION OF PREMISES. Lessor, for and in consideration of the performance of the covenants and agreements contained herein to be kept and performed by Lessee, and upon the following terms and conditions, hereby leases to Lessee, and Lessee hereby hires and takes of and from Lessor, those certain premises located at 18722 Clarkdale Avenue in the City of Artesia, County of Los Angeles, State of California, more particularly described as follows (the “**Premises**”):

Approximately 5,151 gross square feet of ground floor space located in a portion of a building constructed by the City of Artesia Municipal Building Corporation on real property legally described in Exhibit A attached hereto and incorporated herein by reference (the “**Property**”).

2. TERM.

2.1 Initial Term. The term of this Agreement shall be for a period of ten (10) years beginning upon approval by the Board of Supervisors of Lessee and ending ten (10) years thereafter (the “**Initial Term**”).

2.2 Options to Renew. Lessee shall have the option to renew this Agreement for a period of ten (10) years under the same terms and conditions and rent as contained herein (the “**Extended Term**”). Lessee, by Chief Administrative Office letter, shall notify Lessor in writing not less than sixty (60) days prior to the expiration of the Initial Term of Lessee’s intention to exercise or not to exercise the Extended Term option. The actual exercise of the Extended Term option shall be only by the Board of Supervisors of Lessee.

3. RENT. Lessee hereby agrees to pay as rent for the Premises during the Initial Term and, if applicable, the Extended Term (the “**Term**”) the sum of Three Thousand Two Hundred Sixty-Seven Dollars (\$3,267.00) per month, payable in advance, as adjusted in Section 25. Rent payments shall be payable within fifteen (15) days after the first day of each and every month of the Term provided that Lessor has caused a claim therefor to be filed with the County Auditor of Lessee prior to the first day of each and every month of the Term.

4. USE. Lessor agrees that the Premises, together with the appurtenances thereto belonging or in any ways appertaining, shall be used by Lessee as library space for the Lessee’s Public Library Department and for other governmental or lawful purposes during normal working hours, after normal working hours, and on weekends and holidays as Lessee may desire.

5. TERMINATION. In the event the area served by the library occupying the Premises is withdrawn from the Public Library Department of Lessee, Lessee may terminate this

Agreement by giving sixty (60) days written notice to Lessor. In addition to its right to terminate this Agreement as provided in Section 14 and elsewhere in this Agreement, in the event Lessor intends to renovate or reconstruct the Premises or otherwise use the Property for another public purpose, Lessor may terminate this Agreement by giving Lessee at least ninety (90) days written notice thereof.

6. **HOLDOVER.** In the event Lessee holds over beyond the end of the Term with the consent, express or implied, of Lessor, such tenancy shall be from month-to-month only, subject to the terms and conditions of this Agreement, but shall not be a renewal hereof, and the rent to be paid therefore shall be the rate prevailing under the terms and conditions of this Agreement. Either party may during the holdover terminate this Agreement by giving the other party at least thirty (30) days written notice.

7. **SURRENDER.** Upon the expiration of the Term and any holdover period, or the earlier termination of this Agreement, Lessee shall promptly and peacefully surrender the Premises to Lessee in a "broom-clean" condition. Lessee may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Lessee, or under its authority.

8. **DAMAGE OR DESTRUCTION.** Lessor agrees that should the Premises be so badly damaged by fire, incidents of war, earthquake or other violent action of the elements as to render them unfit for Lessee's occupancy as determined by Lessee's sole discretion, then this Agreement shall be terminated immediately upon the happening of any such event whereupon Lessee shall surrender the Premises and shall not be obligated for any further rent and Lessor shall refund any unearned rent paid in advance by Lessor calculated at a daily rate based on the regular monthly rent. In the event of any lesser damage by any such cause which results in damage to ten percent (10%) or less of the net usable area of the premises, then Lessor shall commence the repair and restoration of the Premises within fifteen (15) days of the event which necessitated the repair and restoration. In the event of any such cause that results in damage to more than ten percent (10%) of the net usable area of the premises, then Lessor shall commence the repair and restoration of the Premises within fifteen (15) days of the event that necessitated the repair, and restoration. Lessor shall immediately secure the area to prevent injury to persons and/or vandalism to the premises. Commencement of the repair and restoration shall require the placement of a work order or contract for obtaining the labor and materials to accomplish the repair and restoration. If Lessor should fail to thereafter pursue such repair and restoration work with reasonable diligence to completion, Lessee may give Lessor fifteen (15) working days written notice and thereafter perform or cause to be performed the restoration work and deduct the cost thereof from the installments of rent next due as a charge against Lessor, or Lessee at its sole discretion may surrender the Premises and shall not be obligated for any further rent under this Agreement.

9. **LESSEE'S FIXTURES.** Lessor agrees that Lessee may, but shall not be required to, remove at its own expense, during or at the expiration of the Term or earlier termination of this Agreement, or any extension or holdover period thereof, as the case may be, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Lessee, or under its authority.

10. REPAIR, MAINTENANCE AND REPLACEMENT.

10.1 Lessor shall, at its sole cost and expense, maintain the entire interior and exterior of the Premises in good repair. Lessor's responsibility therefor shall include, but not be limited to, lamps and tubes, exposed plumbing, windows, fire extinguishers, floor coverings, the waste system, window coverings, the grounds, landscaping and the basic structure. "Basic structure" is agreed to include: all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, elevators and stairways, concealed electrical systems and heating, ventilating and air conditioning systems.

10.2 In the event Lessor should fail, neglect or refuse to commence the repair, replacement or maintenance work required by Section 10.1 within five (5) days after written notice from Lessee, or fail, neglect or refuse to pursue said repair, replacement or maintenance work with reasonable diligence to completion, Lessee, at its sole option, may perform, or cause to be performed, such repair, replacement or maintenance work and deduct the reasonable cost thereof from the installments of rent next due, as a charge to Lessor, or Lessee, at its sole option, may surrender the Premises and shall not be liable for any further rent under this Agreement.

10.3 Lessee agrees to provide all janitorial supplies and janitorial services to the premises and to return the Premises to Lessor in as good condition as when rented, ordinary wear and tear, damage by earthquake, fire or the elements and other disaster or casualty excepted.

10.4 In the event that items specified in Section 10.1 wear out or fail as a result of ordinary wear and tear, damage by earthquake, fire or the elements, and/or other public disaster or casualty, Lessor shall replace such items at its own expense, subject to the provisions of Section 8.

11. COMPLIANCE WITH LAW. Lessee shall, at its sole cost, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the Term, regulating the use, occupancy or improvement of the Premises by Lessee. Lessor, and not Lessee, shall, at Lessor's sole cost, at all times cause the Premises and the Property to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the Term and any holdover, including, without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Lessee's particular use of, or alterations or improvements to, the Premises.

12. UTILITIES. Lessor agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any governmental authority, all water, sprinkler standby charges, electricity, gas and other lighting, heating, and power and other utility rents and charges accruing or payable in connection with the Premises during the Term or any holdover period, whether the same are prorated or measured by separate meters. In the event Lessor fails or refuses to pay any or all of the charges when due, Lessee may give Lessor ten (10) days written notice and thereafter pay directly such charges and deduct the payments from the installments of rent next due as a charge against Lessor, or Lessee at its sole discretion may surrender the Premises and shall not be liable for any further rent under this Agreement.

13. LESSOR'S ACCESS. Lessee agrees to permit Lessor, or Lessor's authorized agents, free access to the Premises at all reasonable times for the purpose of inspection or for making necessary improvements or repairs.

14. LESSEE'S DEFAULT. Lessee agrees that if default shall be made in the payment of rent in the manner herein provided or in any of the covenants or agreements herein contained on the part of Lessee to be kept and performed, it shall be lawful for Lessor to terminate this Agreement upon the giving of thirty (30) days written notice. In addition thereto, Lessor shall have such other rights or remedies as shall be provided for by law. Lessor may not terminate this Agreement if (1) Lessee cures the default within the thirty (30) day period after the notice is given, or (2) the default cannot be reasonably cured within the thirty (30) days after the notice is given, but Lessee reasonably commences to cure the default within the thirty (30) day period and in good faith continues to cure the default.

15. ASSIGNMENT; SUBLETTING. Lessee shall not sublet the whole or any part of the Premises, nor assign its interest in this Agreement without in each case first securing the written consent of Lessor.

16. ALTERATIONS. Lessor and Lessee agree not to make any alterations in or on the Premises without first securing the consent of the other party and further agree to make such alterations only at such time that it is agreeable to such other party. Consent shall be given within sixty (60) days of receipt of written request. Consent shall not be unreasonably withheld. "Structural" alterations shall be any modification to the improvements that results in a change in the structural integrity of the premises or the property or alters the gross cubic area of the premises or the property. Notwithstanding any other provision, Lessee may make non-structural alterations without Lessor's written consent. Any alterations installed by Lessee that are "trade fixtures," as such are defined by the law of eminent domain, shall be treated as Lessee's trade fixtures in accordance with the provisions of this Agreement.

17. NOTICE. Notices desired or required to be given by this Agreement or by any law now or hereinafter in effect may be given by enclosing the same in a sealed envelope with postage prepaid, registered mail, return receipt requested, with the United States Postal Service. Any such notice and the envelope containing the same shall be addressed to Lessor at 18747 Clarkdale Avenue, Artesia, California 90701, Attention: City Manager. Any such notice and the envelope containing the same shall be addressed to Lessee shall be addressed to the Board of Supervisors, Kenneth Hahn Hall of Administration, Room 383, 500 West Temple Street, Los Angeles, California 90012, with a copy to Chief Administrative Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

18. CONDEMNATION. If the Premises, or any portion thereof, are taken under the power of eminent domain, or sold under the threat of the exercise of such power (all of which are herein called "**condemnation**"), any award for the condemnation of all or any portion of the Premises shall be the property of Lessor to the extent it is compensation for the condemnation of the fee or as severance damages. Lessee shall be entitled to that portion or the award, if any, attributable to Lessee's trade fixtures and improvements and for the bonus value of Lessee's leasehold interest in the Premises. "Trade fixtures" are agreed to include any tenant

improvements installed at Lessee's request to the extent Lessee has reimbursed Lessor therefor in a lump sum or through amortization included in the rent payments. Lessee is authorized to negotiate directly with the condemning authority. This Agreement shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the area condemned bears to the total area of the Premises.

In the event of a partial condemnation of the Premises, Lessor shall use the proceeds thereof to restore the Premises to a complete architectural unit of a quality, appearance and functional utility at least consistent with the Premises as it existed prior to the condemnation. Rent shall abate for such time and for such area as reconstruction is required and for such areas as are not secure, weather-tight and usable as library space. Failure of Lessor to commence such restoration within sixty (60) days of such condemnation shall be grounds for Lessee to terminate this Agreement by giving Lessor fifteen (15) days advance written notice thereof; or Lessee, at its discretion, may elect to undertake directly the restoration and deduct the costs thereof from the installments of rent next payable to Lessor.

If more than twenty-five percent (25%) of the floor area of the Premises is taken by condemnation, Lessee may terminate this Agreement by giving Lessor fifteen (15) days advance written notice thereof.

Lessor and Lessee shall receive relocation assistance independently. For that purpose, each party shall enter into a separate agreement with the condemning authority that establishes its assistance.

In the event of a partial condemnation of the parking areas on the Property, Lessor shall, at its sole cost and expense, at all times continue to provide Lessee with thirty (30) exclusive off-street parking spaces within five hundred (500) feet of the Premises. Failure of Lessor to provide such spaces at all times shall entitle Lessee to terminate this Agreement by giving Lessor fifteen (15) days advance written notice thereof.

19. **HOLD HARMLESS.** Lessor agrees to indemnify, defend and save harmless Lessee, and its Special Districts, elected and appointed officers, agents and employees from and against any and all liability, expenses (including defense costs and legal fees), and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with Lessor's use, maintenance or ownership of the Premises and/or the Property. Lessee shall indemnify and hold Lessor free and harmless from any and all liability, claims, loss, damages or expenses (including defense costs and legal fees), arising by reason of bodily injury, death, personal injury, or property damage resulting from Lessee's activities on the Premises.

20. **TAXES.** Lessee shall not be responsible for the payment of real property taxes, assessments or ad valorem special assessments.

21. **BINDING ON SUCCESSORS.** Each and all of the terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successors in interest of Lessor, and wherever the context permits or requires, the successor in interest to Lessee.

22. **PARKING SPACES.** Lessor, at its sole cost and expense, shall provide for the exclusive use of Lessee thirty (30) off-street parking spaces located at the Property within 500 feet of the Premises.

23. **GENERAL PROVISIONS.**

23.1 **Waiver.** The waiver by Lessor or Lessee of any term or condition hereof shall not be deemed to be a waiver of such term or condition of any subsequent breach of the same or any other term or condition hereof.

23.2 **Headings.** The section titles in this Agreement are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part hereof.

23.3 **Time.** Time is of the essence of this Agreement and each and all of its provisions in which performance is a factor.

23.4 **Recordation.** Either party may record this Agreement at any time without the written consent of the other party.

23.5 **Quiet Possession.** Upon Lessee paying the rent hereunder Lessee shall have quiet possession of the Premises for the Term period, subject to the terms and conditions hereof.

23.6 **Prior Agreements.** This Agreement contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Agreement and no prior agreements or understanding pertaining to any such matter shall be effective for any purpose, including that certain Sublease and Agreement dated June 18, 1985, executed by Lessee and Lessor. No provision of this Agreement may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors-in-interest. This Agreement shall not be effective or binding on any party until fully-executed by both parties hereto.

23.7 **Inability to Perform.** This Agreement and the respective obligations of Lessee and Lessor hereunder shall not be affected or impaired because the other is unable to fulfill any of its obligations hereunder or is delayed by labor, acts of God or any other cause beyond the reasonable control of such other party.

23.8 **Attorney's Fees.** In the event of any action or proceeding brought by either party against the other under this Agreement, the prevailing party shall be entitled to recover all costs and expenses including the fees of its attorneys in such action or proceeding in such amount as the court or arbitrator may adjudge reasonable as attorney's fees.

23.9 **Severability.** Any provision of this Agreement that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

23.10 **Cumulative Remedies.** No remedy or election hereunder shall be deemed exclusive but shall wherever possible be cumulative with all other remedies at law or in equity.

23.11 Choice of Law. This Agreement shall be governed by the internal laws of the State of California. Any litigation with respect to this Agreement shall be conducted in the County of Los Angeles, State of California.

23.12 Warranties or Guarantees. In the event that any of the items required to be maintained and repaired by Lessor under the provisions of Section 10.1 are protected by warranties or guarantees, Lessee shall be entitled to the full benefit of such protection as if it were the original purchaser thereof.

24. **WARRANTY OF AUTHORITY**. Only the Board of Supervisors of Lessee has the authority, by formally approving and/or executing this Agreement (or delegating the authority to do so), to bind Lessee to the terms and conditions hereof. Each individual executing this Agreement on behalf of Lessee represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of Lessee, and that this Agreement is binding upon Lessee in accordance with its terms. Lessor understands that no material terms or conditions of this Agreement may be altered or deleted, nor may any new material terms be added to this Agreement, without the express written approval of the Board of Supervisors of Lessee, either through an amendment to the Lease or by other formal action of the Board of Supervisors of Lessee. No officer, employee, agent or independent contractor of Lessee has any authority to alter, delete or add the material terms and conditions of this Agreement and Lessor may not rely upon any representations to the contrary. This limitation of authority applies to all material terms and conditions of this Agreement. Notwithstanding the foregoing, the Chief Administrative Officer of Lessee or its delegate (the “**Chief Administrative Officer**”) may take any administrative act on behalf of Lessee hereunder that does not have the effect of increasing the rent or other financial obligations of Lessee hereunder, including without limitation, granting any approvals, terminating this Agreement, signing estoppel certificates or subordinating this Agreement. Each individual executing this Agreement on behalf of Lessor represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of Lessor, and that this Agreement is binding upon Lessor in accordance with its terms.

25. **RENT ADJUSTMENT**. The rent provided in Section 3 shall be annually adjusted on each anniversary of the commencement date of this Agreement in accordance with the following procedure:

The Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County area, All items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84 = 100%) (the “**Index**”) that is published for the date nearest the date of the anniversary (the “**New Index**”) shall be compared with the Index published for the date immediately preceding the month in which the Initial Term commences (the “**Base Index**”). The adjustment shall be calculated as follows:

$$\left(\frac{\text{New Index}}{\text{Base Index}} \right) \times \text{Previous Monthly Rent} = \text{Adjusted Monthly Rate}$$

In no event shall the monthly rent adjustment based upon the foregoing formula result in an increase greater than five percent (5%) of the monthly rent rate payable during the previous year.

As soon as the adjusted monthly rent is calculated by Lessor, Lessor shall provide Lessee with notice of the amount together with all calculations and supporting information used by Lessor to establish the adjusted monthly rent. If Lessor should fail to so notify Lessee within forty-five (45) days after the anniversary date, Lessee may calculate the adjusted monthly rent and notify Lessor thereof.

If the Index is changed so that the base year differs from that used as of the execution of this Agreement, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or otherwise revised during the Term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would have been obtained if the Index had not been discontinued or revised.

26. SOLICITATION OF CONSIDERATION. It is improper for any officer, employee or agent of the County of Los Angeles to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of a lease or that the landlord's failure to provide such consideration may negatively affect its consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to an officer, employee or agent of the County of Los Angeles for the purpose of securing favorable treatment with respect to the award of a lease. A landlord shall immediately report any attempt by an officer, employee or agent of the County of Los Angeles to solicit such improper consideration. The report shall be made either to the manager charged with the supervision of the employee or to an employee fraud hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in a landlord's submission being eliminated from consideration.

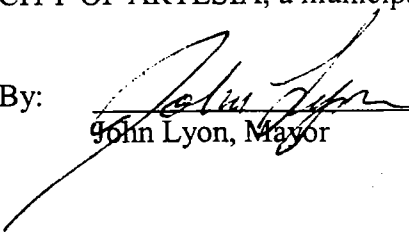
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IN WITNESS WHEREOF, pursuant to Chapter 2.08.159 of the Los Angeles County Code, Lessor has caused this Sublease and Agreement to be executed and the Lessee has caused this Sublease and Agreement to be executed on its behalf by its Chief Administrative Officer and attested by its Clerk, as of the date first above written.


LESSOR:

CITY OF ARTESIA, a municipal corporation

By:


John Lyon, Mayor

ATTEST:


Gloria Considine, City Clerk

APPROVED AS TO FORM:


Kevin Ennis, City Attorney

[Signatures Continued On The Next Page]

[Signatures Continued From The Previous Page]

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

TENANT:

COUNTY OF LOS ANGELES
a body politic and corporate

By: _____
Mayor, Los Angeles County

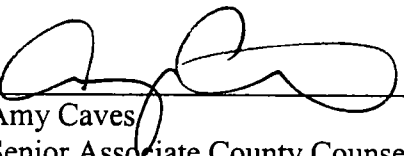
ATTEST:

Sachi A. Hamai
Executive Officer-Clerk
of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

Ray G. Fortner, Jr.
County Counsel

By:  _____
Amy Caves
Senior Associate County Counsel

CMB:cb

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 31, TOWNSHIP 3 SOUTH, RANGE 11 WEST, IN THE RANCHO LOS COYOTES, IN THE CITY OF ARTESIA, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 7425, PAGES 20 AND 21, OF OFFICIAL RECORDS, IN THE OFFICE OF THE REGISTRAR-RECORDER OF SAID COUNTY, WITHIN THE FOLLOWING DESCRIBED BOUNDARIES:

BEGINNING AT THE INTERSECTION OF A LINE PARALLEL WITH AND 95 FEET EASTERLY, MEASURED AT RIGHT ANGLES, FROM THE EASTERLY LINE OF CLARKDALE AVENUE, FORMERLY VINE STREET, AS SHOWN ON MAP OF TOWN OF ARTESIA, FILED IN BOOK 6, PAGE 126, OF MAPS, IN THE OFFICE OF SAID REGISTRAR-RECORDER, WITH A LINE PARALLEL WITH AND 81 FEET SOUTHERLY, MEASURED AT RIGHT ANGLES, FROM THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DEED TO COUNTY OF LOS ANGELES, RECORDED AS DOCUMENT NO, 738, ON APRIL 8, 1946, IN BOOK 23067, PAGE 34, OF OFFICIAL RECORDS, IN THE OFFICE OF SAID REGISTRAR-RECORDER; THENCE EASTERLY ALONG SAID LAST MENTIONED PARALLEL LINE 101.00 FEET; THENCE SOUTHERLY PARALLEL WITH SAID EASTERLY LINE 51.00 FEET; THENCE WESTERLY PARALLEL WITH SAID NORTHERLY LINE 101.00 FEET TO SAID FIRST MENTIONED PARALLEL LINE; THENCE NORTHERLY ALONG SAID FIRST MENTIONED PARALLEL LINE 51.00 FEET TO THE POINT OF BEGINNING.